

# Annual Report

2011



# About NAILBA

The National Association of Independent Life Brokerage Agencies (NAILBA) is the premiere insurance industry organization promoting financial security and consumer choice through the use of independent brokerage distribution. NAILBA member agencies represent 250,000 producers who deliver more than four billion dollars in first year life insurance premiums annually.

## 2011 Board of Directors



Christi M. Daughenbaugh,  
Chairman



Dexter S. Umekubo, CLU,  
ChFC  
Chair-Elect



Raymond S. Phillips, Jr.,  
CLU, LTCP, Treasurer



Barbara Crowley  
Secretary



Mark D. Rosen, CLU  
Immediate Past Chairman



David P. Chittenden,  
CLU, ChFC, LTCP



Michael Cohen, CLU



Paul C. (PJ) Doyle, Jr.,  
LUTCF



Robert Lombardo



David Long



Daniel E. Peterson,  
LLIF, LUTCF



Gordon N. Zuckerman,  
CLU, ChFC

## Chairman's Message



Christi M. Daughenbaugh  
Chairman

As we mark the close of our thirtieth year representing the brokerage community, we should take pride in our association's ability to anticipate and respond to change. As I close my year as Chair, I extend my congratulations on a productive year to my fellow Board members, my gratitude to our committee leadership and staff, and share my pride in the strengthening of our industry alliances. Our decisions this year will address not only our activities for the next couple of years, but will position this organization for continued success well into the next decade.

Working with a task force of dedicated volunteers from the membership and the carrier community, our Strategic Plan was updated this year. Our revised statement of purpose—to serve as the national association of life, health and annuity insurance distributors—affords us a broader perspective than previous statements. By serving this purpose, our membership will continue to grow and strengthen as we manage the changes facing the brokerage community.

Other committees, working with our staff and in response to survey and evaluation feedback, developed new programs and services, revised and improved others and analyzed and eliminated still others that were no longer serving their intended purpose. The work of the Professional Development Committee resulted in the development and launch of the Agency Successor Networking Group, which will provide leadership, management, and skill training to ensure the success of new agency leaders. With the support and guidance of NAILBA members serving as mentors, these successors will build a network and support group of other new leaders to help them grow their agencies in the years to come.

We also re-launched the personalized Field Underwriting Guide; made improvements to the content of our magazine *Perspectives*; re-focused our legislative affairs efforts and increased our social media presence.

Working in tandem with organizations such as AALU, ACLI, MDRT, the LIFE Foundation, NAIFA, LIDMA and others, we continued to strengthen relationships among our sister organizations, as well as between NAILBA's leadership and legislators. From the implications of the debt ceiling increase, changes in tax reform, ongoing discussions on the uniform standard of care issue, and annuities suitability—this has been a busy but productive year for legislative issues in our community.

The future is bright and ripe with opportunity. While it has been my pleasure to serve as your Chairman for the past year, I am looking forward to the future with high expectations of great things for our profession and for NAILBA.

A handwritten signature in cursive script that reads "Christi M. Daughenbaugh".

Christi M. Daughenbaugh  
2011 NAILBA Chairman

## Activities in Support of the Strategic Plan

In May 2011, the NAILBA Board of Directors, select committee chairpersons, carrier representatives and staff met to update the organization's strategic plan. Out of this meeting came a revised statement of purpose and tactics to accomplish the key strategies identified by the group.

The updated statement of purpose: The purpose of NAILBA is to serve as the national association of life, health and annuity insurance distributors.

A summary of the tactics identified for each major organizational area is provided below. For a complete version of the revised Strategic Plan, please visit the About NAILBA tab on [www.nailba.org](http://www.nailba.org).

### ■ MEMBER BENEFITS AND MEMBERSHIP GROWTH

- Expand advertising and outreach for membership recruitment. Create a referral program for current members as an incentive to existing members to attract new members.
- Continually evaluate member benefit offerings and modify as necessary.

### ■ EDUCATION

- Review content of current educational product offerings and make sure they still meet the needs of the member agencies, using an annual educational needs assessment survey.
- Continuously improve the relevancy and quality of the educational content for the Annual Meeting, based on educational needs assessment survey feedback and evaluation results.

### ■ GOVERNMENT AFFAIRS, INDUSTRY ALLIANCES AND ADVOCACY

- Grow NAILBA PAC contributions and member participation.
- Maintain and strengthen relationships with key affiliated organizations such as AALU, NAIFA, ACLI, NAFA and LIDMA. Work in cooperation to identify issues of concern and strengthen the voice of the independent brokerage community.





## Advocacy

In 2010-11, NAILBA was able to overcome many legislative obstacles, especially at the state level. Hawaii pulled back on a proposal to impose a general excise tax on death benefits, and a proposal in the State of Delaware classifying fixed annuities as securities while leaving the definition of insurance products open to interpretation did not see the light of day.

Unfortunately, we also witnessed how a near breakdown of the legislative process can shake the financial markets to the core and downgrade our country's credit rating. In a last minute deal brokered by Congressional leaders and the Obama administration, Congress raised the debt ceiling by \$2.1 trillion while mandating that Congress look for an equal amount in spending reductions. This has led to the creation of a "Super Committee" composed of a bipartisan slate of lawmakers tasked with identifying substantive ways of reducing the budget deficit, with calls for tax reform as part of a solution. NAILBA is paying close attention to ensure that any solution involving tax reform maintains the tax treatment of inside buildup on life insurance and annuity contracts.

Uncertainty regarding the future of the regulatory regime governing the standards of care applied to the recommendation and sales of products will continue to be an issue going into next year. While the Securities and Exchange Commission was preparing to draft a rule redefining these standards, the Department of Labor was in the process of amending its definition of "fiduciary" as it relates to employer-sponsored retirement plans. Upon realization that this would create much confusion in the marketplace, both agencies are not expected to take any action until 2012. This issue has stalled but it will not go away, therefore NAILBA will continue to monitor the situation closely.

This is a critical period for the industry, and member participation is more important than ever. NAILBA members must learn more about the political climate and what they can do to make a difference.

## Marketing and Communications

Our efforts in 2010 maintained and reinforced the messaging developed through the creation of our new corporate logo in 2009. Our visibility was enhanced through our social media presence, electronic message marketing, the NAILBA Web site, our own publications and complimentary ad placements in other publications, all of which served to augment our direct mail marketing efforts.

The magazine, published six times annually, addressed themes and concepts that were identified by the readership and the Editorial Advisory Panel as fresh and relevant; some departments were removed and new topics added. Our circulation increased from around 1,300 to nearly 1,600 subscribers. Print advertising sales, which had witnessed a slight downturn in the previous fiscal year, remained steady in 2010. Electronic advertising sales in our bi-weekly newsletter and on our Web site also remained consistent over previous years.

The NAILBA Web site averaged more than 4,000 unique visitors per month and nearly 6,500 visits per month. Our bi-weekly electronic newsletter, NAILBA Now, continues to average a 35+ percent open rate, despite an increase in subscribers. Electronic mail messages, including Issues Briefings, Press Releases, meeting information and Professional Development information, which are sent to targeted lists of members and others in the brokerage community, consistently average an impressive 57% open rate.

Our social media and marketing efforts have also seen improved growth. NAILBA's Twitter following has more than doubled since 2010 and is included on nearly twice as many lists as in 2009. NAILBAAdvocacy, the more focused government affairs Twitter account, has also increased its followers, by 50%. The NAILBA LinkedIn Group has nearly 600 members, with active discussions posted by staff and group members daily. A secondary group, created for the members of the Agency Successor Networking Group (ASNG) has over two dozen members, including successors and mentors.

## Professional Development

NAILBA's professional development program worked throughout 2010-11 to provide excellent resources allowing its member agencies to become more profitable, improve productivity, and empower the future workforce.

In May of 2011, agency principals, carrier representatives, and NAILBA volunteer leaders convened during the Executive Forum. Attendees gained further knowledge in strategic thinking and honed management skills while also enjoying important time spent networking with other leaders in the industry.

After surveying the membership, NAILBA learned that almost half of member agencies will go through ownership transitions within the next several years. The Agency Successor Networking Group has been established to bring the next generation of BGA leaders together to learn from the experiences of others. This networking group will assist participants in their transition from employee to owner and the duties and responsibilities that come with this transformation.

The Field Underwriting Guide underwent a revision this year. The new version continues to provide useful assistance throughout the application process and now features an easily navigated users' guide. Member agencies value the ability to have the guide customized with their particular firm's information and appreciate the support it provides their producers.

The 2010 NAILBA Annual Meeting was highly successful with more than 1,300 attendees, and 132 exhibit booths. General Sessions featured author Tom Peters, strategic coach Dan Sullivan, and President George W. Bush.



97% retention rate

## Membership

During the 2010-2011 year, NAILBA has been fortunate to maintain a 97% retention rate. It is rare for an association of this size to have that kind of retention and it is due in full to the benefits of membership. During the 2010-2011 membership year, NAILBA added 25 new members.

In a special promotional effort to highlight the association, its activities and benefits, a total of ten new member agencies joined. More diverse membership categories has made joining NAILBA that much more attractive to qualified agencies.

Currently NAILBA has 370 member agencies, which compares to 372 member agencies in 2009-2010.

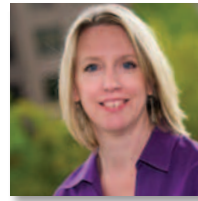
## NAILBA Staff



Jack Chiasson, CAE  
Executive Director



Kathy Allison  
Director, Membership and  
the Foundation



Susan Grimes  
Deputy Executive Director,  
Meetings and Communications



Susan D. Haning, CEM, CMP  
Director, Business Development



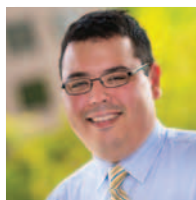
Rachel C. Marineau, CMP  
Manager, Meetings and  
Education



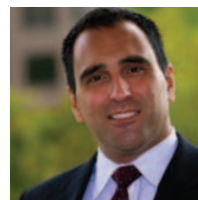
Meredith Maslich  
Administrative Coordinator



Sarah O'Hanley  
Marketing and Advertising  
Coordinator



John Tong  
Director, Administration and  
Operations



Mark Valentini, MPP  
Manager, Government Affairs

## Future Annual Meeting Dates

2012 | JW Marriott Grande Lakes – Orlando, FL

2013 | Gaylord Texan – Grapevine, TX

2014 | Westin Diplomat – Hollywood, FL

2015 | JW Marriott Grande Lakes – Orlando, FL

## NAILBA Committees

Government Affairs Committee, chaired by Dexter S. Umekubo, CLU, ChFC

Marketing Committee, chaired by Steve Walther

Membership Committee, co-chaired by Paul D. Kaplan and Scott Tietz

Professional Development Committee, chaired by Melinda Meyer

NAILBA PAC, chaired by Gary Dworkin



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